



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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CITY ATTORNEY'S OFFICE SETTLES LAWSUIT WITH PENSION CONSULTING FIRM FOR \$4.5 MILLION

San Diego, CA: City Attorney Michael Aguirre today announced a \$4.5 million settlement against Callan Associates, Inc., a San Francisco pension consulting firm hired by the San Diego City Employees' Retirement System (SDCERS). After legal fees, the City expects to net approximately \$3 million.

The City Attorney's Office filed the lawsuit in 2005 claiming the firm had engaged in professional negligence, breach of fiduciary duty, and breach of contract. Callan has continued to deny the allegations of the City's lawsuit.

"This was an important case to the City," said City Attorney Michael Aguirre. "By bringing and resolving this lawsuit, the City Attorney's Office continues to ensure that the retirement system is accountable to the taxpayers of San Diego."

Since 1982, Callan has had a contractual relationship with SDCERS to provide investment consulting services, including investment manager searches, quarterly performance reports, and assistance in the development of investment policy guidelines, asset allocation and liability studies.

The civil lawsuit was prosecuted on a contingent fee basis by private attorneys Dan Stanford and Bryan C. Vess under the supervision of Executive Assistant City Attorney Don McGrath, II. The Callan settlement brings the total recovery from lawsuits filed by the City Attorney's Office against professional firms advising SDCERS to \$6 million.

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